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Viewing cable 05SANJOSE2942, CAFTA-DR RATIFICATION AND IMPLEMENTATION TIMELINE

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

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Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#05SANJOSE2942**.

Reference ID	Created	Released	Classification	Origin
05SANJOSE2942	2005-12-28 21:42	2011-08-30 01:44	UNCLASSIFIED	Embassy San Jose

Appears in these articles:

<http://www.nacion.com/2011-03-03/Investigacion/NotasDestacadas/Investigacion2697430.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotaPrincipal/Investigacion2697496.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697489.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697532.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697535.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2701964.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/Relacionados/Investigacion2701965.aspx>

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 SAN JOSE 002942

SIPDIS

WHA/CEN
EB FOR WCRAFT, BMANOGUE
EB/CIP FOR WAYALA
E FOR DEDWARDS
WHA FOR WMIELE
WHA/EPSC FOR KURS, LGUMBINER
STATE PASS TO USTR FOR RVARGO, NMOORJANI, AMALITO

E.O. 12958: N/A
TAGS: [ETRD](#) [ECPS](#) [ECON](#) [PREL](#) [PGOV](#) [SOCI](#) [CS](#)
SUBJECT: CAFTA-DR RATIFICATION AND IMPLEMENTATION TIMELINE

¶1. (SBU) SUMMARY: The debate about the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) started in the unicameral 57-member legislature (the Assembly) on December 6, 2005 after long delays in the Costa Rican administration's decision to send the agreement to the Assembly. Since then, the twice-weekly sessions held by the responsible legislative Committee have been interrupted by logistical and political problems. Despite extending its working sessions past the usual mid-December break for the holidays, the Assembly's International Relations and Trade Committee which is responsible for reviewing CAFTA-DR has made little progress and will not reconvene until after the February 5, 2006 presidential and legislative elections. The key question is whether or not the lame-duck legislators on the International Relations and Trade Committee can complete their hearings and send the agreement to the floor for a first vote prior to the end their terms on May 1, 2006. If not, the new legislature will have to review the work already done, thus

further delaying the ratification process. End Summary.

CAFTA-DR RATIFICATION - A LONG ROW TO HOE

12. (SBU) Costa Rica is the only CAFTA-DR signatory country not to have ratified the treaty. Fourteen months after signing CAFTA-DR and after much public debate over whether or not the agreement would benefit the poor, President Pacheco on October 21, 2005 finally sent the agreement to the Assembly to start the relatively long ratification process. Delays in printing and distributing the more than 3,000-page document pushed the official start date for Assembly discussions to December 6, 2005. The Assembly's International Relations and Trade Committee then began to hold hearings, but as of December 22 the Committee had not even completed interviewing the first of 30 people who are scheduled to be summoned.

13. (SBU) Soon after the Committee's discussions began, their work was halted because of inadequate facilities in which the debate could be held. The rooms normally used for such hearings were deemed to be too small and insecure to allow the public to safely observe the proceedings. This resulted in several missed sessions and the inability of the Committee to progress in its work. Supporters of CAFTA-DR alleged lack of support by Gerardo Gonzalez, the President of the Assembly and a member of President Pacheco's Social Christian Unity Party (PUSC). Comment: President Pacheco has washed his hands of the CAFTA-DR issue, refusing to lobby any legislators and repeatedly saying that CAFTA-DR is now in the hands of the Assembly. This is not entirely true because his administration has yet to submit the all-important CAFTA-DR implementing legislation which would comply with the requirements to better protect intellectual property, and facilitate the phased opening of the telecommunications and insurance industries. End Comment.

14. (SBU) The few hearings that have been conducted have been heated with anti-CAFTA-DR deputies on the Committee verbally attacking the Vice Minister of Foreign Trade, Doris Osterlof, and accusing the negotiators (not one of whom still works for the GOCR) of "betraying" the country and alleging a lack of transparency in the negotiation process. Comment: Much of this is for show since six of the nine members of the Committee will vote in favor of CAFTA-DR. However three members of the committee are vice presidential candidates and one is a presidential candidate which means the hearings so far have been more about campaign slogans than debates about the merits of the agreement. End Comment.

15. (U) Due to the legislative recess from December 23, 2005 through the February 5 elections, a completion of the Committee's work is expected no sooner than the end April 2006 just before the new deputies take office on May 1, 2006. (Note: The new Administration takes office on May 8, 2006. End Note.) After the Committee has sent its recommendation to the plenary, two separate votes by the entire Assembly are required to pass the agreement, between which the Constitutional Court will review CAFTA-DR for any constitutional issues. We think there is little likelihood that the second vote could occur during the first half of 2006, but it is probable during the second half of 2006. The President would then sign the bill approving CAFTA-DR and publish it in the official gazette, two to four weeks after which CAFTA-DR would be considered officially ratified.

RATIFICATION IS NOT IMPLEMENTATION

16. (SBU) Unlike the path taken by the USG and U.S. Congress, the Assembly will approve CAFTA-DR separately from the legislation that will actually implement the agreement. To date, the implementing legislation has not yet been sent to the Assembly and passing these bills could be more difficult than passing CAFTA-DR itself. Of all the CAFTA-DR countries, Costa Rica clearly has the most work to do in drafting, debating, passing, and implementing this complementary legislation. These bills should effect the phased opening of the telecommunications and insurance markets to competition - markets that are currently legally monopolized by the state-owned Costa Rican Institutes of Electricity (ICE) and Insurance (INS), respectively. (Comment: The other CAFTA-DR countries also pass implementing legislation separate from the vote on the agreement itself. We are now seeing how difficult the implementation issue is with several of these countries that have already ratified the agreement and are now trying fulfill their commitments before entry into force. Costa Rica is not only the farthest behind on ratification, it is equally far behind in preparing the implementing legislation. End Comment.)

COMMENT

17. (SBU) The lack of progress in the International Relations and Trade Committee during the few short weeks of hearings, coupled with the Administration's reluctance to fully back CAFTA-DR, does not bode well for voting the agreement out of committee prior to the new Assembly members taking office on May 1, 2006. If CAFTA-DR is not voted out of committee during the lame duck session, it means that the ratification process will take that much longer to complete, possibly extending the ratification well into the second half of 2006. Even after approving CAFTA-DR, the real work of debating and passing the implementing legislation will remain and could well delay the implementation of the agreement beyond the end of 2006.
FRISBIE